



NEWS RELEASE

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JOHANNIS ANNOUNCES AVAILABILITY OF \$22.8 MILLION FOR RENEWABLE ENERGY AND ENERGY EFFICIENCY PROJECTS

Two Stage Program Focuses on Energy Independence, Stronger Rural Economy

WASHINGTON, March 28, 2005 — Agriculture Secretary Mike Johannis today announced the availability of \$22.8 million to support investments in renewable energy systems and energy efficiency improvements by agricultural producers and rural small businesses.

“Enhancing our energy efficiency is a key goal of the Bush Administration,” said Johannis. “Renewable energy is an exciting growth frontier for American agriculture. Implementing an innovative energy policy, which the President has proposed, provides an opportunity to strengthen both our national security and the rural economy.”

Section 9006 of the 2002 Farm Bill established the Renewable Energy Systems and Energy Efficiency Improvements loan and grant program to encourage agricultural producers and small rural businesses to create renewable and energy efficient systems. The funds announced today will be available to support a wide range of technologies encompassing biomass (including anaerobic digesters), geothermal, hydrogen, solar, and wind energy, as well as energy efficiency improvements. To date, the Bush Administration has invested through this program nearly \$45 million in 32 states.

The \$22.8 million announced today will be made available in two stages. One-half, \$11.4 million, is available immediately for competitive grants. Renewable energy grant applications must be for a minimum of \$2,500 and a maximum of \$500,000. Energy efficiency grant applications may range from \$2,500 to \$250,000. The grant request may not exceed 25% of the eligible project cost. Applications must be submitted to the appropriate Rural Development State Office postmarked no later than June 27, 2005. Detailed information about application and program requirements will be included in the March 28, 2005 publication of the Federal Register.

The remaining \$11.4 million announced today, will be set aside through August 31, 2005 for renewable energy and energy efficiency guaranteed loans. Final details on how to apply for these funds will be published in the Federal Register later this year. Any funds not obligated under the guarantee loan program by August 31, 2005, will be reallocated to the competitive grant program as of that date.

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USDA Rural Development's mission is to deliver programs in a way that will support increasing economic opportunity and improve the quality of life of rural residents. As a venture capital entity, Rural Development has invested over \$50 billion since the beginning of the Bush Administration to provide equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure. As a result, over 800,000 jobs have been created or saved through these investments. Further information on rural programs is available at a local USDA Rural Development office or by visiting USDA's web site at <http://www.rurdev.usda.gov>.

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